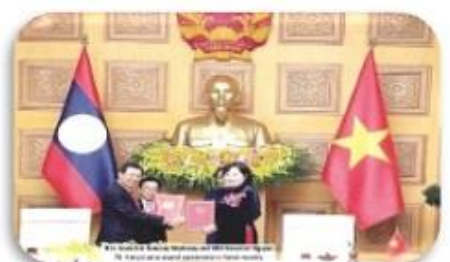


Highlight News / January 17, 2022



- National Bank of Cambodia launches 10 policies to support Cambodia's economic growth in 2022
- Textiles, garments, footwear and travel products and bags are the key pillars of Cambodia's exports
- Lao, Vietnamese central banks ink MOU on information exchange
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ADVISORY INSTITUTE FOR TRADE AND INVESTMENT BY TCC (AITI)

National Bank of Cambodia launches 10 policies to support Cambodia's economic growth in 2022



Cambodia News | 16 January, 2022

The National Bank of Cambodia will introduce 10 main policies to support the sustainable economic growth and recovery in 2022. The 10-point policy will fully support the growth of the national economy, which continues to be threatened by the COVID-19 pandemic and its mutations. Chea Chanto, Governor of the National Bank of Cambodia, when speaking at the closing ceremony of the National Bank of Cambodia's Annual Meeting 2021 and 2022 work goals that in 2022, the emergence of new coronavirus variants will continue to threaten the recovery of the global and regional economies and could slow growth to lower-than-expected levels. In the United States and Europe, infections are rising rapidly, and in Asean, daily infections are still high. This situation will continue to put pressure on the recovery of the Cambodian economy, especially the impact on tourism, disruption of the export-import transport chain and the slow growth of foreign investment flows. In addition, the risk of an outbreak of another outbreak in Cambodia could also lead to the introduction of stricter preventive measures that could disrupt local production and economic activity. The recovery of the global economy, said Chea Chanto, will continue to support the export of garments and non-garments, such as electrical and bicycle components. Control of the Covid-19

pandemic and continued economic measures will boost economic activity such as trade, investment, transport and telecommunications and domestic tourism. The agricultural sector is expected to continue to grow well, supported by the government's policies and the implementation of regional and bilateral free trade agreements. Under these optimistic expectations, Cambodia's economic growth in 2022 is projected at 5 percent. To support the recovery of sustainable growth, the Royal Government will set out a strategic framework and programs to rehabilitate and promote economic growth in line with Covid-19, along the new normal trajectory, which aims to revitalise and strengthen the economy. In line with this direction, the National Bank of Cambodia as well as the Cambodian banking system will continue to introduce 10 main policies, including: Stabilising the exchange rate: Stabilising the exchange rate will continue to contribute significantly to stabilising prices and protecting the purchasing power of the riel, as well as the income of the people. It should be noted that the exchange rate in 2022 will continue to be under pressure due to the implementation of support measures that releases money into the market, combined with the uptrend of the US dollar, especially due to expectations of normalization of the future monetary policy of the US Federal Reserve. In this situation, the National Bank will continue to intervene in the exchange market to keep the riel exchange rate against the US dollar stable at a level appropriate to the economic situation. Promoting the

use of the riel: The Covid-19 crisis clearly demonstrates the incomplete role of monetary policy in supporting the economy, such as the possibility of lowering interest rates to stimulate investment or consumption due to the high level of dollarization. Promoting the use of the riel continues to be a top priority in strengthening the efficiency, sovereignty and independence of monetary policy, in order to actively support the process of economic recovery and resilience. In this regard, the National Bank of Cambodia has been supporting the issuance of state securities in riel, which is not only a source of long-term financing for public investment, but also an important driving force in promoting the use of the riel as well as the development of new monetary policy instruments based on market mechanisms.

Implement targeted support measures: Due to the economic recovery of different sectors, the implementation of support measures will be targeted to support their growth. In this sense, the banking system will contribute to the recovery of priority sectors by easing appropriate regulations and depending on the level of risk. At the same time, the National Bank will implement a crisis exit strategy that will be carried out in a cautious manner and in line with the evolution of the actual economic situation, taking into account the psychological risks and stability of the banking system.

4: Improving the financial environment and knowledge: Currently, access to affordable financial services is still limited, which is an obstacle to contributing to the development of small and medium enterprises,

which are the backbone of the economy. In this context, the National Strategy on the Financial Environment will continue to be a guide for improving the financial environment for banking and financial institutions and stakeholders. At the same time, financial literacy will continue to be strengthened through the integration of curricula and promotional campaigns on the use of money, culture, credit and savings. All branches of the National Bank of Cambodia, in the provincial capitals must continue to support the economic growth of the region through the provision of active and efficient cash management services and contribute to the promotion of financial literacy and customer protection through the hotline system and provide information and help solve problems related to the use of financial services to citizens. At the same time, the branches must continue to cooperate and support the implementation of the Royal Government's public financial reform program to strengthen the transparency and accountability of cash management operations. Take advantage of new financial technologies: New financial technologies, especially in payment systems, have the potential to enhance the integrated financial environment, support growth and the digital economy by reducing fees and transaction costs, access to services everywhere with Information Technology on a regular basis. At the same time, the adoption and use of financial technology must strictly adhere to the three main principles: maintaining the sustainability of services, improving

the financial environment and supporting innovation (Sustainability, Inclusion and Innovation). Strengthening the Business Sustainability Plan and the Implementation Plan for the End: The uncertainty surrounding Covid-19 underscores the need for both plans to maintain sustainable service delivery and risk management in the banking system. In order to contribute to the resilience of the entire banking system, all departments and units and institutions under the Bank of Cambodia under the auspices of the National Bank of Cambodia are requested to continue to strengthen their business sustainability and action plans by updating the situation. Strengthening the effectiveness of anti-money laundering and terrorist financing: Improving Cambodia's ranking on anti-money laundering and terrorist financing requires the involvement of all stakeholders. At the same time, the Financial Intelligence Unit of Cambodia must continue to raise the awareness of the reporting persons and relevant authorities, strengthen the monitoring and analysis of financial reports, send suspicious transactions to the competent authorities, and strengthen cooperation with relevant ministries and institutions and international partners to exchange information in a timely manner and situation. Contribution to climate change mitigation: In addition to fulfilling its core responsibilities, the banking system must also continue to contribute to the sustainable development of the financial sector, taking into account the environment and the impact on the climate. The International Monetary Fund (IMF) has

recently adopted the National Bank of Cambodia as a model central bank in the region, as the National Bank of Cambodia (NBC) has invested in international reserves on green assets and set out the sustainable financing principles of the Cambodian banking system and encourage all banking and financial institutions to provide credit to sectors that help protect the environment and reduce climate change. As the chair of ASEAN in Cambodia in 2022, the National Bank of Cambodia will contribute to strengthening regional financial integration and financial safety net through the liberalisation of banking services, integration of payment systems, promotion of the use of regional currencies and financing mechanisms for crisis prevention and resolution. NBC Governor Chea Chanto added that the achievement of the above goals with consistency and efficiency, requires all staff officers to continue their efforts to work responsibly, in solidarity and to respect discipline and assignment.

Source: <https://www.khmertimeskh.com/501007788/national-bank-of-cambodia-launches-10-policies-to-support-cambodias-economic-growth-in-2022/>

Textiles, garments, footwear and travel products and bags are the key pillars of Cambodia's exports



Cambodia News | 16 January, 2022

The Minister of Labor and Vocational Training, Dr. Ith Sam Heng, said that the export of textiles, garment, footwear and travel products and bags sectors are

the key sector for the Cambodian economy and remain as the country's most important export sector, with annual growth of an average of approximately 10 percent over the past 10 years. Although Cambodia experienced a slight decline in 2020, a good recovery was recorded in 2021, with exports in the first 10 months increasing significantly. Garment exports totalled \$6.538 billion, an increase of 6 percent over the previous year, footwear exports were recorded at \$1.113 billion, an increase of 20 percent while exports of travel products was valued at \$1.179 billion, an increase of 49 percent. Dr. Sam Heng said this at the 15th meeting of the Garment Manufacturers Association of Cambodia (GMAC) held at the Association's premises in the Phnom Penh Special Economic Zone yesterday. The association has been in operation for s for the past 25 years, acting as a unified voice of investors in the garment sector, protecting and promoting the legitimate rights and interests of all investors in the sector, and establishing a forum for consultation, social dialogues with all stakeholders on issues that have a potential impact on the overall investment climate, aiming to create a favorable environment for export growth and sustainable development. The association has worked closely with the Ministry of Labor and Vocational Training, the Ministry of Commerce, relevant ministries, international labour organizations. Dr. Sam Heng also praised and appreciated the past work and cooperation of GMAC with with the Ministry of Labor and Vocational Training to successfully implement strategic

rectangular policies such as the National Employment Policy, national policy on technical and vocational education, national policy on industrial development and national social protection policy framework. GMAC has also been a responsible participant in the implementation of the obligations set out in the Labor Law, the Law on Trade Unions and the Law on Social Security for those who fall under the provisions of the Labor Law, the Minimum Wage Law, and other legal standards related to the field of employment as well. The Minister reminded that the textile, garment, footwear and travel products and bags sectors had only a few factories, enterprises and workers when Cambodia started to open its economy and receive investments since 1993 and has continued to grow, especially from the year time Cambodia achieved full peace thanks to the win-win policy of the Prime Minister, and then after 1999, when the Royal Government signed a trade agreement with the United States, sealing trade with international labor standards. By the end of 2021, the number of officially registered factories in the sector has increased to more than 1,200, providing systematic employment to nearly 1 million workers. In 2021, the total export value of this sector is estimated at \$10 billion or about 63 percent of the total export value of Cambodia. The lives of workers have also gradually improved with the attention of the Royal Government through the continuous increase of the minimum wage. From 1997 to 2021, the Royal Government increased the minimum wage for workers 18 times, increasing from \$40 in 1997 to

\$194 this year. This year, including bonuses, seniority and other benefits, each worker can receive a salary from \$211 to \$222 per month. In addition to the nearly 1 million workers who directly benefit, more than 2 million people indirectly benefit from this sector. The GMAC AGM also held the election of the Executive Committee of the Garment Manufacturers Association in Cambodia for the new mandate – 2022-2023. In that, the meeting voted in Oknha Kong Sang as President of the Garment Manufacturers Association of Cambodia (GMAC) to replace Oknha Van Sou Ieng, who has retired as the president and was given an honorary chairman by the Executive Committee.

Source:<https://www.khmertimeskh.com/501007751/textiles-garments-footwear-and-travel-products-and-bags-are-the-key-pillars-of-cambodias-exports/>

Lao, Vietnamese central banks ink MOU on information exchange



Laos News | 17 January, 2022

The governors of the Bank of the Lao PDR (BOL) and the State Bank of Vietnam (SBV) recently signed a Memorandum of Understanding (MOU) on Cooperation and Exchange of Information in Banking Supervision. The agreement was signed during an official visit to Vietnam by Lao Prime Minister Phankham from January 8-10 in response to an invitation from Vietnamese premier Phạm Minh Chinh. The two prime ministers witnessed the signing of the MOU, which was inked by BOL

Governor Mr Sonexay Sitphaxay and SBV Governor Nguyen Thi Hong. The MOU is an enhancement of the Cooperation Agreement on Exchange of Information in Banking Supervision signed in 2008 to reflect current banking investment, according to the Bank of the Lao PDR. The new agreement specifies the cooperation between the two central banks, with an emphasis on the sharing of information, cross-border banking supervision, on-site examinations, and crisis management of commercial banks under the supervision of each authority's responsibilities based on mutual trust and understanding. These show the commitments of the two central banks in promoting the quality of cross-border establishment examinations, building the capacity of examiners and analysing bank risks, in line with banking strategies and cooperation in implementing the Asean Banking Integration Framework of the two central banks. In the context of the traditional friendship between Laos and Vietnam, the signing of the MOU on Cooperation and Exchange of Information in Banking Supervision between the BOL and SBV reflects their mutual trust and support, as well as mutual commitment to effectively fulfil cooperation agreements made between the two countries.

Source:https://www.vientianetimes.org.la/freeContent/FreeContent_Lao_Vietnamese_10.php

Myanmar to export 450-500 tonnes of coffee this coffee season



Myanmar News | 16 January, 2022

Myanmar will export about 450 or 500 tonnes of coffee in this coffee season, according to PyinOoLwin Township coffee research and technology dissemination centre. Currently, the coffees are being yielded and the high-quality coffees are available mostly from December and March. About 450-500 tonnes of coffee, yielded this year, will be exported to external countries like America, the Netherlands, Australia, Japan, Korea, France, Germany, Thailand and China,” said Daw Mee Mee Myint, the Deputy Director of PyinOoLwin Township coffee research and technology dissemination centre. “Currently, the coffees are demanded competitively due to the high quality. There are many varie of the coffee species. The coffee price is ranging between K4 million and K5 million per metric ton. The price of coffee in the international market are above K5 million. Last year, Myanmar exported about 450-500 per tonne of coffee to the external market. This year’s coffee has not been shipped yet. This year, we are planning to export the same amount of coffee as last year. The coffee is now being cultivated because it has a strong market and export market,” she clarified. Myanmar annually exports coffee to the external market. At the end of this year’s coffee season, the buyers will come and test the quality of the coffee. The coffee plantations in China and Brazil were also

destroyed by storms. Consequently, Myanmar coffee price is expected to be upright for almost three years. — Maung Aye Chan/GNLM

Source: <https://www.gnlnm.com.mm/myanmar-to-export-450-500-tonnes-of-coffee-this-coffee-season/#article-title>

Vietnam looks to receive 65 million visitors in 2022



Vietnam News | 15 January, 2022

HÀ NỘI — The Vietnamese automobile market has continued to rebound, gaining slight growth in 2021, data from manufacturers showed. The Việt Nam Automobile Manufacturers Association (VAMA) reported its members sold 304,149 cars in 2021, rising 3 per cent from the previous year, with passenger cars down 3 per cent, commercial vehicles up 17 per cent, and special-purpose ones up 50 per cent. Among the vehicles sold, there were 168,357 domestically assembled cars and 135,792 completely built-up (CBU) units, respectively declining 10 per cent and rising 24 per cent year on year. Apart from VAMA members, many other brands like Audi, Jaguar Land Rover, Mercedes-Benz, Nissan, Subaru, Volkswagen and Volvo also operated in the market but didn’t reveal their business outcomes. Added to statistics from TC Motor and VinFast, which are not members of VAMA, a total of 410,390 units were sold in the local market last year. Hyundai remained the best-selling brand in 2021 with 70,518 units, followed by Toyota (67,533), Kia (45,532), VinFast (35,723), Mazda (27,286),

Mitsubishi (27,243), Ford (23,708), and Honda (21,698). After seven years of dominating the market, Toyota Vios lost its top position as the best-selling model to VinFast Fadil, with 24,128 units sold. The following places went to Hyundai Accent, Toyota Vios, Toyota Corolla Cross, and KIA Seltos. Insiders said the sales of passenger and domestically assembled vehicles in December grew 33 per cent and 23 per cent month on month, respectively, which was driven by the halving of registration fees for domestically assembled cars since the month. Facing that pressure, CBU importers also cut corresponding fees to boost sales. In another move, to boost the development of electric vehicles to meet the Government's target on reducing emissions, the National Assembly earlier this week voted to cut special consumption tax on battery-run electric cars for a period of five years. With effect from March 1, the tax on various types of battery electric vehicles (BEVs) will be reduced by 3-12 percentage points from current levels and be valid until February 28, 2027. Accordingly, the tax rates on electric cars with less than nine seats, and 10-15 seats will be at 3 per cent and 2 per cent against 15 per cent and 10 per cent currently, respectively. The rate for electric passenger cars with 16-24 seats will be 1 per cent against 5 per cent currently. According to the National Assembly's Standing Committee, the new incentive policy will promote the purchase of environmentally-friendly vehicles and reduce emissions as targeted by the Government. Besides, the committee added, the introduction of incentives

to attract investors earlier than other Southeast Asian countries would create great opportunities for Vietnamese companies to produce BEVs for both domestic and foreign markets. A number of domestic companies are preparing to begin production of BEVs. — VNS

Source: <https://vietnamnews.vn/economy/1115045/vn-automobile-market-inched-up-in-2021.html>

Vietnam Leads ASEAN in Power Production



Vietnam News | 16 January, 2022

After adding 3,420 megawatts of power capacity last year, Vietnam now leads Southeast Asia with 76,620 MW. It represented a 9.8% increase in capacity, CEO of national utility Vietnam Electricity (EVN), Tran Dinh Nhan, said at a forum on January 14, as cited by VnExpress. He however expressed concern that 27% of it is from renewable sources and this high ratio is causing difficulties in managing distribution. There were times last year when 60% of power generation were from renewable energy, but due to plunging demand because social distancing curbs to contain Covid-19, this led to an oversupply of power, he said. But EVN has forecast that in June, when temperatures peak, the north could see power shortages while the central and the southern regions might have oversupply. It expects power consumption to rise by 7.6% this year to 242.4 billion kilowatt-hours. Electricity output rise by 7.9%. Power generation output and import in 2022 is forecast to hit 275.5 billion kWh, up 7.9% year-on-year, Vice

Director of the National Load Dispatch Centre (NLDC) Nguyen Quoc Trung said. According to a plan on electricity supply and operation of the national power system in 2022, the total output generated by hydro-power plants is expected to reach 82.5 billion kWh, 3.8 billion kWh higher than the figure in 2021. As many as 3,407 MW of power will be generated by traditional power supplies, including large thermal power plants such as Nghi Son 2 and Song Hau 1, Trung said. Vietnam planned to buy about 380 million kWh of electricity from China in May and June of 2022. The peak load in the North is expected to grow by 9.5 – 13%, equivalent to an increase of 2,497 - 2,870 MW in consumption demand per year. In 2021, the country's total electricity generation reached 255 billion kWh, up 3.2% compared to 2020. The centre reported that as many as 7,433 MW of new power resources were provided for the national grid in 2021, lifting the total installed capacity of the national electricity system to 78,682 MW, including 75 wind power plants totaling 3,600 MW. There were four new plants with a combined capacity of 372 MW joining the market in the year, it added. In the year, the NLDC operated the electricity system safely and continuously, especially during difficult periods such as the peak months of the dry season in the North, VietnamPlus said. It also effectively well performed the workload related renewable energy projects, especially at the end of 2021./.

Source: <https://vietnamtimes.org.vn/vietnam-leads-asean-in-power-production-39389.html>
